

**Proposed Substitute Bill 429**

165 Capitol Avenue  
Hartford, CT 06106-1658

**An Act Concerning the Set-Aside Program and the Percentage of  
Contracts Reserved for Minority Business Enterprises****Committee on Government Administration & Elections****March 21, 2012**

As the agency responsible for administering the State of Connecticut's Supplier Diversity Program, the Department of Administrative Services ("DAS") shares the following concerns regarding **proposed Substitute Bill 429, An Act Concerning the Set-Aside Program and the Percentage of Contracts reserved for Minority Business Enterprises.**

The proposed substitute language for SB 429 amends sections (a) and (b) of section 4a-60g to remove women from the definition of "minority" and to require that 50% of the contracts set aside for minority business enterprises be reserved to businesses that are owned by ethnic minorities (as opposed to women-owned businesses). DAS has been involved in several discussions with various stake-holders on these issues and is interested in any suggestions to improve the Supplier Diversity Program.

DAS strongly believes that any attempt to change existing set-aside goals or to separate out ethnic minority goals from other defined "minorities" (such as women-owned businesses) must be supported with a disparity study. The current set-aside statutes are based on a disparity study that is over 25 years old. A new, up-to-date disparity study that identifies differences between the proportion of minority-owned business in Connecticut and the share of state contracting the businesses receive is essential to the process of developing new, legally justifiable goals and definitions.

In the 2011 legislative session, the Commission on Human Rights and Opportunities ("CHRO") was charged with conducting a disparity study and reporting on the findings and recommendations by January 1, 2013. DAS has been helping CHRO navigate the competitive bid process with the goal of awarding a consulting contract to an entity with the experience and expertise to conduct a legally valid disparity study. DAS respectfully suggests that revising the Supplier Diversity definitions and goals in advance of a disparity study is premature.

Thank you for giving DAS the opportunity to testify about sSB429. Please do not hesitate to contact us if you would like to discuss any of these matters in more detail.